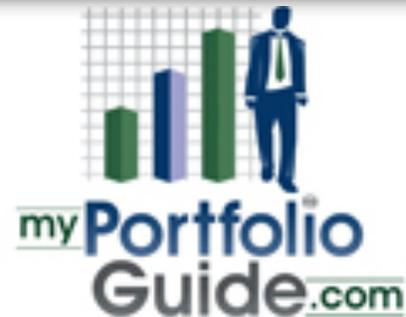


the Guide



INSIDE THIS ISSUE :

WHAT'S IN A HEADLINE?

Becoming adept at learning what is news versus what is noise is invaluable....

MARKET RECAP

How did the stock market do last month? Take a look at how different benchmarks and indexes did versus your own performance. What's on the horizon?

EDUCATION CORNER

Do you know what the "Fiscal Cliff" is all about and its potential impact?

NEWS & NOTES CALENDAR

Find out what's going at My Portfolio Guide and in the financial services industry.

Come check out an upcoming event! My Portfolio Guide periodically hosts educational events. We're also visiting different cities nationwide as we meet with existing and prospective clients.

Germany Leaving Euro...Economic Chaos !!!

Looks like they got us again! If it worked before why not continue with different twists? How many times have you bought a magazine, read an article, or clicked on one while reading online due to the eye-grabbing headline? The media does a fantastic job of getting your limited attention. Humans are driven by emotions and perhaps no other industry can bring this out of consumers like the financial media.

US will Fall off Fiscal Cliff Next Week !!!

The six universally accepted emotions of **fear, joy, sadness, anger, disgust, and surprise** seem to tie in nicely with an economic cycle too!

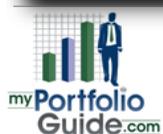
Are we suggesting that you should ignore the media and bury your head in the sand? No..but for your peace of mind consider this

an opportunity and reminder to be aware of what is in between the lines and how the overall messaging influences your decision making.

Becoming adept at learning what is news versus what is noise is invaluable. Ever wonder why a financial talking head almost gets giddy when the market is up and conversely gets pouty or negative on down days? Watch how skillfully powerful adjectives are used to report "news". Does saying "the stock market was up /down 100 points" mean the same as "the market got crushed, soared, blasted, jumped, slashed, (insert adjective) 100 points today"?

Dow 3,000 by January !!!

Worst of all though, are the headlines that have little to do with what's really in an article. They're everywhere so "buyer beware" and remember the old media adage of "if it bleeds it leads"...



	YTD 2012	Month of September	Trailing 3 Months	2011	2010	2009	2008	2007
20 / 80	6.48%	0.63%	2.53%	6.89%	8.55%	10.11%	-4.56%	6.77%
40 / 60	8.97%	1.12%	3.48%	5.84%	10.41%	14.27%	-13.65%	6.52%
50 / 50	10.21%	1.36%	3.95%	5.28%	11.29%	16.34%	-17.94%	6.38%
60 / 40	11.46%	1.61%	4.43%	4.69%	12.13%	18.40%	-22.06%	6.22%
70 / 30	12.71%	1.85%	4.91%	4.08%	12.92%	20.44%	-26.03%	6.06%
80 / 20	13.96%	2.09%	5.39%	3.45%	13.68%	22.47%	-29.83%	5.88%
S&P 500	16.44%	2.58%	6.35%	2.11%	15.06%	26.46%	-37.00%	5.59%
Mid Cap	14.00%	2.12%	5.59%	-1.55%	25.48%	40.48%	-41.46%	5.60%
Small Cap	14.23%	3.28%	5.25%	-4.18%	26.85%	27.17%	-33.79%	-1.57%
MSCI EAFE	10.59%	2.99%	6.98%	-11.73%	8.21%	32.46%	-43.06%	11.63%
Emerging	12.33%	6.05%	7.89%	-18.17%	19.20%	79.02%	-53.18%	39.78%
Bonds	3.99%	0.14%	1.59%	7.84%	6.54%	5.93%	5.24%	6.97%

MARKET RECAP

How did the "Market" do ???

Never rely on the media to tell you "how the market did". This answer is different for everyone because investors should be allocated specific to *their* goals and risk tolerance.

The above chart shows several (6) basic portfolio allocations with their corresponding performance over different time periods.

20 / 80, for example, represents 20% in the S&P 500 and 80% in the U.S. Aggregate Bond Index. Other major indexes are also posted (S&P 500, Mid, Small etc) MSCI EAFE represents 24 developed International countries except for the US or Canada.

The third quarter may have brought us the peak of what has been a surprisingly decent year. Considering all the headlines and some very real economic concerns, the markets have almost ignored some of them on hopes that the future shines brighter. Most equity benchmarks are up double digits YTD but if taking clues from hedge funds and most "smart money" is any indication, few trust it and have trailed these returns.

In our opinion much of this rally has been fueled by "funny money" and continued economic stimulus (QE3). Just how long can that be sustained? Up until recently it's simply been a "risk on" type sentiment for the market but as with anything...what goes up quickly can come down even faster...

If the U.S. economy is traditionally like that of an 8 cylinder engine, we look like we're running on just 2 cylinders right now. Third quarter GDP surprised most coming in at 2.0% versus 1.3% in Q2. Still, that is quite anemic and vigorous growth or improvement in the unemployment rate is a concern. Markets historically do well in election years but with that now past us we're left to limp along for a while. Europe's stagnation still acts as an anchor of sorts and as we touch on further in this issue, the fiscal cliff and all the political strife we face here will create some near-term resistance. All that being said...we believe well balanced and intelligently allocated portfolios will fare just fine.

EDUCATION CORNER

What/Where/When is this “Fiscal Cliff”?

In this section of ‘the Guide’ we will take a closer look at what exactly is the “Fiscal Cliff”

A combination of expiring tax cuts and across-the-board government spending cuts scheduled to become effective Dec. 31, 2012. The idea behind the fiscal cliff was that if the federal government allowed these two events to proceed as planned, they would have a detrimental effect on an already shaky economy, perhaps sending it back into an official recession as it cut household incomes, increased unemployment rates and undermined consumer and investor confidence. At the same time, it was predicted that going over the fiscal cliff would significantly reduce the federal budget deficit.

(definition by Investopedia)



Even the word “cliff” itself conjures up a very visual image to most. Is it a positive one to you? Likely not. How potentially devastating could the Fiscal Cliff be to the economy and to your portfolio?

What exactly is this “Fiscal Cliff”?

Our goal here is to not politicize this. Haven’t we all had enough over the past year (plus)? With the recent presidential election over we (and especially politicians) can get back to work. Boiling all this down to its simplest form is that if politicians don’t do anything before the end of 2012, we will see the meeting of a substantial set of spending cuts and tax increases all intended to address our deficit. What’s wrong with that?

One normally wouldn’t think attacking the deficit is a bad thing but increasing taxes and enacting spending cuts will simply have a deep economic impact. Depending on which numbers

you’re looking at, the spending cuts and expiring tax cuts would reduce the deficit by \$770 billion. That basically amounts to almost 5% of GDP (Gross Domestic Product).

Again...Why is cutting a deficit so bad? If the government cuts their spending by a sizable (roughly \$200 billion) amount and taxes are raised (roughly \$400 billion), people will inevitably have less money to buy things, therefore hurting GDP and the overall economy. We’re recovering anemically as it is and such measures would almost certainly send us into a recession. The Congressional Budget Office (CBO) is estimating that this would put economic growth at -0.5% along with raising unemployment back over 9%. As of now lawmakers have three choices: (1) do nothing (2) cancel some of the tax increases and spending cuts (which gets us closer to looking like Europe), and (3) take a bit of a hybrid approach which still would take a bite out of any economic growth.



What Can be Done?

If Congress does nothing, things will get ugly. We don't think it will be of the scale that some are predicting. (The U.S. won't be Greece by January nor do you need to build a bunker). Aside from a lot of headlines and the reality of some 11th hour solution, even a band-aid, what needs to be done this time is simply some form of bipartisan cooperation. Neither side can risk anything but that this go-around.

What is Likely to be Done?

Kicking the can down the road usually doesn't end pretty, but that may be what is in store. For those of you who were sick of the political ads, debates, and campaigning...prepare to hear about this for a while.

It's more than likely that Congress will postpone any major decision on long-term spending cuts and tax increases. In the short-run, however, Congress could at least avoid a complete disaster by suspending some of the cuts and increases anywhere from two to six months. This time it's imperative that Obama, and his critics, reach across the aisle. They will, but expect some gridlock and negative consequences. During the last debt ceiling episode in August of 2011 the U.S. credit rating was downgraded and it would almost certainly happen again this time around. Let's put the odds of some agreement, even if short-term, at about 70%. Otherwise... buckle up.

How should your portfolio be positioned for the Fiscal Cliff?

Sadly enough most people will make the wrong decisions at the worst time if things heat up and amplify. Human emotion (fear in this case) will take hold and most will react poorly. The other passive extreme of "buy & forget" is also not the answer.

Investors need to first be 100% certain they are positioned in the proper allocation specific to their goals and risk tolerance. From there intelligent tactical allocations can be made within each portfolio model.

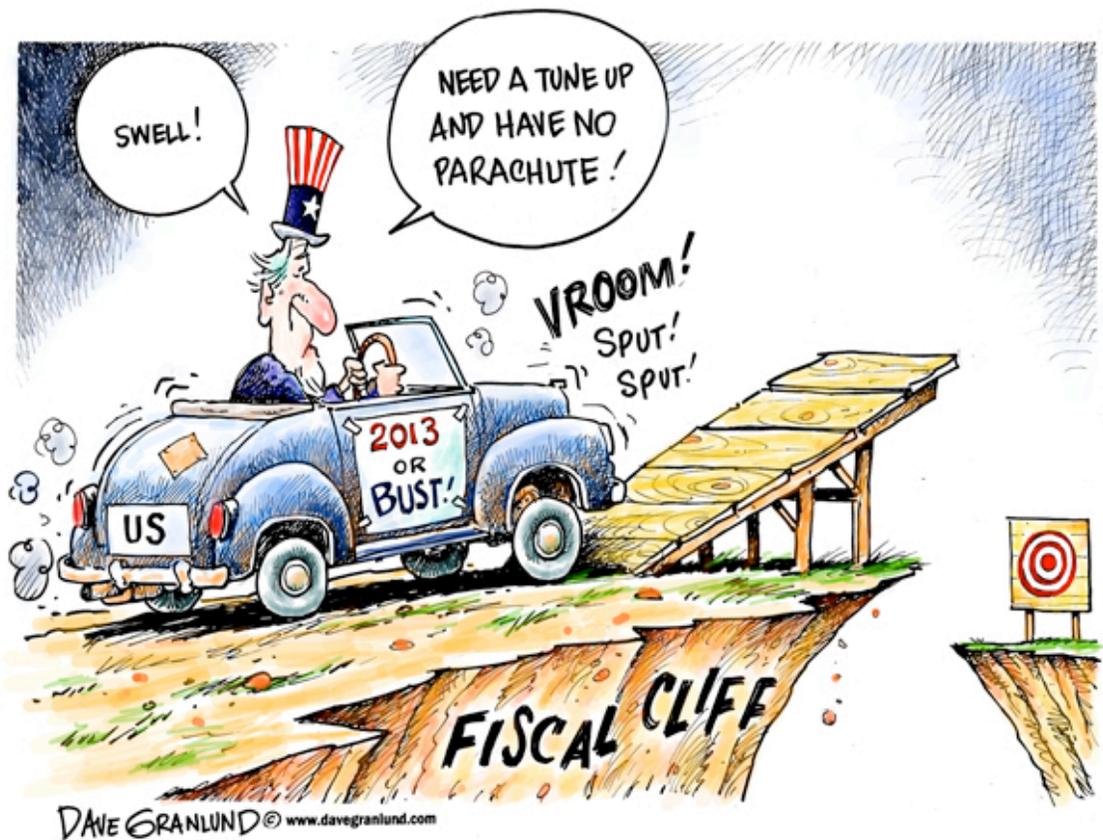
One key piece to the puzzle is to gain proper exposure to assets that don't correlate exactly with Stocks or Bonds. Consider some hedging instruments as well as Long/Short exposure to complement other Alternative Assets. At My Portfolio Guide we are currently making gradual shifts to the Bond piece in almost every portfolio we manage. It's more than just being diligent about maturities. We believe there is a need to revisit how traditional allocations have been put together and completely revisit how much should be in Bonds. That's the next bubble folks... The only difference is that we all see the writing on the wall. Some expert will one day tell us he/she saw it all coming but that begs the question of how did they proactively manage portfolios in advance of that. Look to our next issue of "the Guide" as we will dig deeper into what we are doing for clients now...(not after)



A PICTURE TELLS A THOUSAND WORDS...

Many people are visual learners...so if all the verbiage and or politicizing of this Fiscal Cliff issue bores or annoys you...soak up these two editorial cartoons.

Sometimes a simple picture says it all...



News & Notes

Updates from My Portfolio Guide, LLC and the Financial Services Industry

MPG Adds a Very Unique Resource.... New Partner joins the Firm!

There are many ways for a company to achieve growth but in order for that to be successful it must be done in a thoughtful manner and executed with great precision. In the financial services and wealth management business this reality is even more paramount due to the one thing that cannot be taught...trust.

Matt Blake has joined My Portfolio Guide, LLC as a Principal and will be leading our Rocky Mountain Division of the firm. He will be based out the the Highlands Ranch office which is in the Denver, CO area.



Finding his way to help lead MPG is by no accident. Both he and President, Matt Pixa, trained together in the 1990's and became licensed after working for one of the largest firms on Wall Street. Over the past 15 years each kept in close contact and actually worked together again at some of the same firms. All the while each saw the industry and financial landscape changing but one thing did not. Each had a vision to create a firm where trust was an implicit promise and not just a buzzword.

Matt Blake lives in Littleton, CO with his wife Heather and two children, Jackson and Campbell. Please check out our Partner Announcement in the Blog section of the My Portfolio Guide website to learn more about Matt Blake's professional experience. We truly welcome the added guidance and leadership that Matt will bring and it's without question a win for the firm as well as for our valued clients.



CALENDAR:

November 2012

Ayres Hotel , 11/30/12

Seal Beach, CA

“More Steak Less Sizzle”
Dinner Event Series !!!

Call (888) 47-GUIDE or email
info@myportfolioguide.com
for details

December 2012

12/4/12 - Boulder, CO

12/6/12 - Colorado Springs, CO

12/12/12 - Golden, CO

@ the Blue Sky Grill

11/22/12 and 11/23/12

Tempe, AZ and Scottsdale, AZ

Arizona State University vs
University of Arizona (football)

“Duel in the Desert”

Come join us at one of our upcoming events!

Portfolio Education Series : Dinner Event

My Portfolio Guide will be hosting several educational events over the next three months so mark your calendars!

If you are unable to attend but have interest in a particular topic, just call or email us and we'll make arrangements to suit you.

We will be hosting existing and prospective clients at three upcoming events in Colorado throughout December. My Portfolio guide will also be in the San Francisco Bay Area once before year-end as well as once in Scottsdale, AZ. The rest of our local educational

events will be in the Orange County, CA and Los Angeles , CA area.

Lastly, our premier event that has received much attention and additional demand was our “More Steak & Less Sizzle” Dinner Event. We will host another such presentation at the Ayres Hotel in Seal Beach, CA. RSVP with us as seats are limited. This Dinner Event Series will be presented in January and focus on Alternative Investments. We will host one in Orange County and one in Denver, CO to kick off 2013. Join us!

